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Eradication of poverty and other development issues: industrial development cooperation

Report of the Second Committee*

Rapporteur: Ms. Vanessa **Gomes** (Portugal)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 57 (see A/61/426, para. 2). Action on sub-item (b) was taken at the 30th and 34th meetings, on 17 November and 8 December 2006. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/61/SR.30 and 34).

II. Consideration of draft resolutions A/C.2/61/L.40 and A/C.2/61/L.65

2. At the 30th meeting, on 17 November, the representative of South Africa, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Industrial development cooperation" (A/C.2/61/L.40), which read:

> "*The General Assembly*,
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> "*Recalling* its resolutions 46/151 of 18 December 1991, 49/108 of 19 December 1994, 51/170 of 16 December 1996, 53/177 of 15 December 1998, 55/187 of 20 December 2000, 57/243 of 20 December 2002 and 59/249 of 22 December 2004 on industrial development cooperation,
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> "*Recalling also* the United Nations Millennium Declaration and its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development, and

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the Plan of Implementation of the World Summit on Sustainable Development ('Johannesburg Plan of Implementation'),

"*Recalling further* the 2005 World Summit Outcome,

"*Recalling* its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals,

"*Noting* the growing industrial divide and widening disparities between developed and developing countries,

"*Recognizing* the role of the business community, including the private sector, in enhancing the dynamic process of the development of the industrial sector, and underlining the importance of the benefits of foreign direct investment in that process and in the transfer and adaptation of technology, know-how and advanced skills,

"*Recognizing also* the importance of the transfer of technology to the developing countries as an effective means of international cooperation in the pursuit of poverty eradication and sustainable development,

"1. *Takes note* of the report of the Secretary-General;

"2. *Reaffirms* that industrialization is an essential factor in the sustained economic growth, sustainable development and eradication of poverty of developing countries as well as in the creation of productive employment, income generation and the facilitation of social integration, including the integration of women into the development process;

"3. *Stresses* the critical role of productive capacity-building and industrial development for the achievement of the internationally agreed development goals, including those contained in the United Nations Millennium Declaration;

"4. *Takes note* of the comprehensive review of the activities of the United Nations Industrial Development Organization conducted in line with its corporate strategy, which has enabled it to become a more focused, effective and efficient organization, especially for developing countries, capable of delivering concrete outcomes and providing valuable contributions to the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration;

"5. *Emphasizes* the necessity of favourable national and international measures for the industrialization of developing countries, and urges all Governments to adopt and to implement development policies and strategies to unleash the productivity growth potential through private-sector development, the diffusion of environmentally sound and emerging technologies, investment promotion, enhanced access to markets and the effective use of official development assistance to enable developing countries to achieve the internationally agreed development goals, including those contained in the Millennium Declaration, and to make this process sustainable;

"6. *Stresses* the importance of strengthening North-South industrial development cooperation and trade, and emphasizes furthermore the importance of North-South trade related technology diffusion, which has a

positive impact on productivity in high-technology industries and on technology-intensive manufacturing activities in developing countries, and on promoting the expansion, diversification and modernization of productive capacities in developing countries, in particular the least developed countries and landlocked developing countries;

"7. *Confirms* the contribution of industry to social development, especially in the context of the linkages between industry and agriculture, and notes that, within the totality of these interlinkages, industry serves as a powerful source of employment generation, income creation and social integration required for the eradication of poverty;

"8. *Calls for* the continuing use of official development assistance for industrial development in the developing countries, calls upon donor countries and recipient countries to continue to cooperate in their efforts to achieve greater efficiency and effectiveness of the official development assistance resources devoted to industrial development cooperation;

"9. *Also calls for* the continuing use of all other resources, including private and public, foreign and domestic resources, for industrial development in the developing countries;

"10. *Reiterates* the importance of cooperation and coordination within the United Nations system in providing effective support for the sustainable industrial development of developing countries, and calls upon the United Nations Industrial Development Organization to continue to carry out its central role in the field of industrial development according to its mandate;

"11. *Encourages* the United Nations Industrial Development Organization to continue to enhance its effectiveness, relevance and development impact by, inter alia, strengthening its cooperation with other institutions of the United Nations system at all levels;

"12. *Calls upon* the United Nations Industrial Development Organization to participate actively in coordination at the field level through the common country assessment and the United Nations Development Assistance Framework processes and sector-wide approaches;

"13. *Emphasizes* the need to promote the development of microenterprises and small and medium-sized enterprises, including by means of training, education and skills enhancement, with a special focus on agro-industry as a provider of livelihoods for rural communities;

"14. *Stresses* the need for the United Nations Industrial Development Organization to promote, within its mandate, the development of competitive industries in developing countries, especially in least developed countries and landlocked developing countries;

"15. *Reaffirms* the need to support the survival and expansion of industrial manufacturing activity in developing countries, and in this regard calls upon the United Nations Industrial Development Organization to continue to improve its technical cooperation activities through, inter alia, the areas of technology diffusion and capacity-building for market access and development;

"16. *Encourages* the United Nations Industrial Development Organization to increase its contributions to achieve the objectives of the New Partnership for Africa's Development with a view to further strengthening the industrialization process in Africa;

"17. *Recognizes* the importance of information in the replication of best practices in processing, design and marketing, and also recognizes the importance of South-South cooperation in this respect;

"18. *Takes note* of the vital role played by the United Nations Industrial Development Organization in the fields of private and public sector industrial development, productivity growth, trade capacity-building, corporate social responsibility, environmental protection, energy efficiency and the promotion of renewable energies;

"19. *Encourages* the United Nations Industrial Development Organization to develop further its global forum capacity according to its mandate, with the aim of enhancing, in the context of the globalization process, a common understanding of global and regional industrial sector issues and their impact on poverty eradication and sustainable development, and calls for further strengthening of the demand-driven integrated programme approach at the field level;

"20. *Requests* the Secretary-General to submit to the General Assembly at its sixty-third session a report on the implementation of the present resolution."

3. At its 34th meeting, on 8 December, the Committee had before it a draft resolution entitled "Industrial development cooperation" (A/C.2/61/L.65), submitted by the Vice-Chairman of the Committee, Prayono Atiyanto (Indonesia), on the basis of informal consultations held on draft resolution A/C.2/61/L.40.

4. At the same meeting, the representative of Italy, as facilitator, orally revised the draft resolution as follows:

(a) In operative paragraph 18, the words "and encourages" were inserted after the words "recognizes the importance of";

(b) In operative paragraph 19, the words "vital role" were replaced by the words "important role".

5. Also at its 34th meeting, the Committee was informed that the draft resolution had no programme budget implications.

6. Subsequently, the Committee adopted draft resolution A/C.2/61/L.65, as orally revised (see para. 8).

7. In the light of the adoption of draft resolution A/C.2/61/L.65, draft resolution A/C.2/61/L.40 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

8. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Industrial development cooperation

The General Assembly,

Recalling its resolutions 46/151 of 18 December 1991, 49/108 of 19 December 1994, 51/170 of 16 December 1996, 53/177 of 15 December 1998, 55/187 of 20 December 2000, 57/243 of 20 December 2002 and 59/249 of 22 December 2004 on industrial development cooperation,

Recalling also the United Nations Millennium Declaration,[1] the Monterrey Consensus of the International Conference on Financing for Development[2] and the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[3]

Recalling further the 2005 World Summit Outcome,[4]

Recalling its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals,

Noting that the reform of the United Nations Industrial Development Organization has enabled it to become more focused, effective and efficient and more capable of delivering concrete outcomes and providing valuable contributions to the achievement of the internationally agreed development goals, including the Millennium Development Goals,

Noting also the attention given by the United Nations Industrial Development Organization to poverty eradication through its priorities,

Noting further the prevailing industrial gap and disparities between developed and developing countries,

Recognizing the role of the business community, including the private sector, in enhancing the dynamic process of the development of the industrial sector, and underlining the importance of the benefits of foreign direct investment in that process,

Recognizing also the importance of the transfer of technology on mutually agreed terms to the developing countries as well as countries with economies in transition as an effective means of international cooperation in the pursuit of poverty eradication and sustainable development,

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[4] See resolution 60/1.

Noting that the Commission on Sustainable Development at its fourteenth session discussed, inter alia, industrial development,

1. *Takes note* of the report of the Director-General of the United Nations Industrial Development Organization;[5]

2. *Reaffirms* that industrialization is an essential factor in the sustained economic growth, sustainable development and eradication of poverty of developing countries as well as countries with economies in transition, and in the creation of productive employment, income generation and the facilitation of social integration, including the integration of women into the development process;

3. *Stresses* the critical role of productive capacity-building and industrial development for the achievement of the internationally agreed development goals, including the Millennium Development Goals;

4. *Takes note* of the comprehensive review of the activities of the United Nations Industrial Development Organization conducted in line with its corporate strategy, which has enabled it to become a more focused, effective and efficient organization, especially for developing countries as well as countries with economies in transition, capable of delivering concrete outcomes and providing valuable contributions to the achievement of the internationally agreed development goals, including the Millennium Development Goals;

5. *Emphasizes* the necessity of favourable national and international measures for the industrialization of developing countries, and urges all Governments to adopt and to implement development policies and strategies to unleash the productivity growth potential through private-sector development, the diffusion of environmentally sound and emerging technologies, investment promotion, enhanced access to markets and the effective use of official development assistance to enable developing countries to achieve the internationally agreed development goals, including the Millennium Development Goals, and to make this process sustainable;

6. *Stresses* the importance of strengthening North-South industrial development cooperation and trade, underlines the importance of a positive investment and business climate, and emphasizes furthermore the importance of North-South trade-related technology diffusion, which has a positive impact on productivity in high-technology industries and on technology-intensive manufacturing activities in developing countries, in promoting the expansion, diversification and modernization of productive capacities;

7. *Recognizes* the importance of South-South cooperation in the area of industrial development, and in this regard encourages the international community, including the international financial institutions, to support the efforts of developing countries, inter alia, through triangular cooperation;

8. *Confirms* the contribution of industry to social development, especially in the context of the linkages between industry and agriculture, and notes that, within the totality of these interlinkages, industry serves as a powerful source of the employment generation, income creation and social integration required for the eradication of poverty;

[5] See A/61/305.

9. *Calls for* the continuing use of official development assistance for industrial development in the developing countries as well as countries with economies in transition, calls upon donor countries and recipient countries to continue to cooperate in their efforts to achieve greater efficiency and effectiveness of the official development assistance resources devoted to industrial development cooperation and to support the efforts of developing countries as well as countries with economies in transition to promote industrial development cooperation among themselves, and underlines the importance of mobilizing funds for industrial development at the country level, including private funding and funds from relevant development finance institutions;

10. *Also calls for* the continuing use of all other resources, including private and public, foreign and domestic resources, for industrial development in the developing countries as well as countries with economies in transition;

11. *Reiterates* the importance of cooperation and coordination within the United Nations system in providing effective support for the sustainable industrial development of developing countries as well as countries with economies in transition, and calls upon the United Nations Industrial Development Organization to continue to carry out its central role in the field of industrial development according to its mandate;

12. *Encourages* the United Nations Industrial Development Organization to continue to enhance its effectiveness, relevance and development impact by, inter alia, strengthening its cooperation with other institutions of the United Nations system at all levels;

13. *Calls upon* the United Nations Industrial Development Organization to participate actively in coordination at the field level through the common country assessment and the United Nations Development Assistance Framework processes and sector-wide approaches;

14. *Emphasizes* the need to promote the development of microenterprises and small and medium-sized enterprises, including by means of training, education and skills enhancement, with a special focus on agro-industry as a provider of livelihoods for rural communities;

15. *Stresses* the need for the United Nations Industrial Development Organization to promote, within its mandate, the development of competitive industries in developing countries as well as countries with economies in transition, especially in least developed countries and landlocked developing countries;

16. *Encourages* the United Nations Industrial Development Organization to increase its contributions to achieve the objectives of the New Partnership for Africa's Development[6] with a view to further strengthening the industrialization process in Africa;

17. *Invites* the United Nations Industrial Development Organization to continue to build and strengthen its partnership with other United Nations organizations with complementary mandates and activities with a view to achieving greater effectiveness and development impact and promoting increased coherence within the United Nations system;

[6] A/57/304, annex.

18. *Recognizes* the importance of information in the replication of best practices in processing, design and marketing, and also recognizes the importance of and encourages South-South cooperation in this respect;

19. *Takes note* of the important role played by the United Nations Industrial Development Organization in the fields of private- and public-sector industrial development, productivity growth, trade capacity-building, corporate social responsibility, environmental protection, energy efficiency and the promotion of renewable energies;

20. *Encourages* the United Nations Industrial Development Organization to develop further its global forum capacity according to its mandate, with the aim of enhancing, in the context of the globalization process, a common understanding of global and regional industrial sector issues and their impact on poverty eradication and sustainable development, and calls for further strengthening of the demand-driven integrated programme approach at the field level;

21. *Requests* the Secretary-General to submit to the General Assembly at its sixty-third session a report on the implementation of the present resolution.